



SCOTT D. ANDERSON  
ATTORNEY  
sanderson@verrilldana.com  
Direct: 207-253-4540

ONE PORTLAND SQUARE  
PORTLAND, MAINE 04112-0586  
207-774-4000 • FAX 207-774-7499  
www.verrilldana.com

ELECTRONICALLY FILED ON November 17, 2003

Dennis Keschl  
Maine Public Utilities Commission  
State House Station #18  
242 State Street  
Augusta, ME 04333-0018

Re: Bangor Hydro-Electric Company; Request for Approval of Sale of Generation Assets  
Docket No. 1998-820  
Stipulation (Graham Units 4 & 5)

**THIS IS A VIRTUAL DUPLICATE OF THE ORIGINAL HARDCOPY SUBMITTED TO  
THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING  
INSTRUCTIONS**

Dear Dennis:

Enclosed please find an original and one copy of a Stipulation (Graham Units 4 & 5).

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be "SDA" followed by a long horizontal stroke.

Scott D. Anderson

SDA/ddm  
Enclosure  
cc: Office of the Public Advocate

**STATE OF MAINE  
PUBLIC UTILITIES COMMISSION**

BANGOR-HYDRO-ELECTRIC COMPANY;	)	
Request for Approval of Sale of	)	
Generation Assets	)	STIPULATION
	)	(Graham Units 4 & 5)

Docket No. 1998-820

---

Bangor Hydro Electric Co. ("BHE") and the Office of the Public Advocate ("OPA")  
(collectively the "Parties") hereby agree and stipulate as follows:

I. PURPOSE

The purpose of this Stipulation is to settle all issues in this proceeding, to avoid a hearing on those issues raised in this case and to expedite the Public Utilities Commission's consideration and resolution of the proceeding. The provisions agreed to herein have been reached as a result of information gathered through discovery and discussions among the parties in this case.

II. PROCEDURAL BACKGROUND

1. On August 20, 2003 BHE filed with the Commission a Motion for approval of the sale of the Graham Station Units 4 and 5 and accompanying Purchase and Sale agreement dated July 25, 2003 between BHE and International Power Machinery Company (the "Proposed Sale").

2. On August 26, 2003, the OPA filed a Petition to Intervene.<sup>1</sup>

---

<sup>1</sup> This proceeding is part of Docket 1998-820. Accordingly, the Commission provided notice to all prior intervenors under this docket number. However, only the Office of the Public Advocate has participated as an interested party. As such, only BHE and the OPA are signatories to this Stipulation.

3. On October 1, 2003, the Hearing Examiner issued a Procedural Order setting a combined conference of counsel and technical conference for October 8, 2003. This conference was moved to November 5, 2003 by agreement of the Parties.

4. On November 5, 2003 the Hearing Examiner held a conference attended by counsel for BHE, Jeffrey Jones and Eric Clapp from BHE, Commission Staff, and the OPA.

### III. APPROVALS AND FINDINGS BY COMMISSION

Based upon the record in this case, the parties to this Stipulation agree and recommend that the Commission conclude this proceeding by issuing an Order which approves, accepts and adopts this Stipulation, including the following provisions:

1. The Commission should find that, pursuant to 35-A M.R.S.A. § 3204(1), the Proposed Sale of Graham Units 4 and 5 is in accordance with the Commission's Divestiture Plan Approval in Docket No. 98-114.

2. The Commission should find that the Proposed Sale satisfies BHE's obligation to mitigate stranded costs pursuant to 35-A M.R.S.A. § 3208(4) with regard to Graham Units 4 and 5.

3. The Commission should find that the Proposed Sale, as previously defined, may include an extension of the December 31, 2003 option date in the Purchase and Sale Agreement for a period not to exceed six (6) months.

### IV. PROCEDURAL STIPULATIONS

#### PROCEDURAL STIPULATION

1. Staff Presentation of Stipulation. The parties to the Stipulation hereby waive any rights that they have under 5 M.R.S.A. §9062(4) and Section 742 of the Commission Rules of

Practice and Procedure to the extent necessary to permit the Advisory Staff to discuss this Stipulation and the resolution of this case with the Commissioners at the Commission's scheduled deliberations, without providing to the parties an Examiners Report or the opportunity to file Exceptions.

2. Record. The record on which the parties enter into this Stipulation and on which the Commission may base its determination whether to accept and approve this Stipulation shall consist of (a) BHE's August 20, 2003 Motion; (b) this Stipulation; and (c) the transcripts of any Technical Conferences and any other material furnished by the Advisory Staff to the Commission, either orally or in writing, to assist the Commission in deciding whether to accept and approve this Stipulation.

3. Non-Precedential Effect. This Stipulation shall not be considered legal precedent, nor shall it preclude a party from making any contention or exercising any rights, including the right of appeal, in any future Commission investigation or proceeding or any other trial or action.

4. Stipulation as Integrated Document. This Stipulation represents the full agreement between the parties to the Stipulation and rejection of any part of this Stipulation constitutes a rejection of the whole.

5. Incorporation of Attachments: All attachments referred to in this Stipulation are incorporated herein by reference and are intended to be considered as part of this Stipulation as if their terms were fully set forth in the body of this Stipulation.

6. Void if Rejected. If not accepted by the Commission in accordance with the provisions hereof, this Stipulation shall be void and of no further effect and shall not prejudice

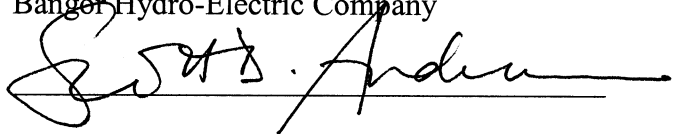
any position taken by any party before the Commission in this proceeding and shall not be admissible evidence therein or in any other proceeding before the Commission.

7. Waiver of Reconsideration or Appeal. The parties to this Stipulation hereby waive their rights to request reconsideration pursuant to Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R. 110), to appeal pursuant to 35-A M.R.S.A. § 1320, or to otherwise seek reconsideration or judicial review of any Commission Order approving this Stipulation.

Respectfully submitted this 17<sup>th</sup> day of November, 2003.

Bangor Hydro-Electric Company

By:

A handwritten signature in black ink, appearing to read "Scott S. Anderson", is written over a horizontal line.

Office of the Public Advocate

By:

\_\_\_\_\_

any position taken by any party before the Commission in this proceeding and shall not be admissible evidence therein or in any other proceeding before the Commission.

7. Waiver of Reconsideration or Appeal. The parties to this Stipulation hereby waive their rights to request reconsideration pursuant to Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R. 110), to appeal pursuant to 35-A M.R.S.A. § 1320, or to otherwise seek reconsideration or judicial review of any Commission Order approving this Stipulation.

Respectfully submitted this 14<sup>th</sup> day of November, 2003.

Bangor Hydro-Electric Company

By: \_\_\_\_\_

Office of the Public Advocate

By: 